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Proposed programme budget for the biennium 2000-2001

Internal and external printing practices at the Organization

Note by the Secretary-General

I. Background

1. In its first report on the proposed programme budget for the biennium 2000-2001, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) made two separate observations on the internal and external printing practices of the Organization. In chapter I, the Committee expressed its concern about the need for a rational basis for determining the mix of external and "in-house" printing, and repeated its request "that comparative data for all United Nations headquarters, encompassing all facilities available to the United Nations, should be provided early at the fifty-fourth session of the General Assembly on the relative costs of in-house printing and of outsourcing".[1] In chapter II, the Committee noted that printing was an area that should be given priority in developing common facilities and recommended that the Secretary-General "take immediate steps to prepare a comprehensive report for review by the Committee. The report should include information on the total cost of operating all printing facilities at Geneva and New York, the capacity of all the plants and the printing workload of all organizations concerned. Information should also be provided on the printing programme that is contracted out and comparative costs for in-house and external printing. The report should be prepared in time for the Committee to submit its recommendations to the General Assembly at its fifty-fifth session."[2] The present document, which should be considered a provisional report, covers current printing practices of the Organization and compiles the cost information and other financial data that are readily available. It also describes the process that the Secretariat intends to follow in order to provide the requested information in a more comprehensive way at a later date, as recommended by the Advisory Committee in the above-mentioned report.

II. Current printing practices of the Organization

2. Like most international organizations, the United Nations has traditionally used a mix of internal and external printing services. In the past, typesetting, page make-up, colour separation, pre-press work, and the binding of large publications were outsourced, because internal capacity in those areas was minimal and rudimentary or did not exist. Sales publications, volumes of official records and public information materials that had to be outsourced at the pre-reproduction or the binding stage were obvious candidates to be reproduced externally as well, because that arrangement reduced logistical problems. However, widespread use of desktop publishing and computer tools by authors and designers in most areas of the Secretariat as well as in units specialized in text-processing and copy preparation has progressively reduced the range of services

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and of materials that need to be outsourced, so that now most jobs are fully prepared internally for reproduction and are also printed and bound in-house. The advantages of integrating the process argue in favour of internal reproduction.

3. Contrary to the limited internal resources available in the past for pre-reproduction work and heavy-duty binding, a large reproduction capacity has long been available to meet the demand for regular documents prepared for intergovernmental bodies — i.e., technically simple materials that must be produced within strict and short deadlines and in print runs of a few thousand copies. The reproduction equipment and the staff available make it possible to reduce the time required for reproduction and distribution to a fraction of the time required for research, drafting, clearance, translation and text-processing. As a rule of thumb, the overall production of a standard 16-page report — reproducing all language versions and placing them at document distribution points — is scheduled in hours — or one day, at most. The recent introduction of electronic pre-press equipment has made it possible to shorten reproduction deadlines further. Moreover, at Headquarters, at peak periods, as many as 100 such documents can be scheduled for distribution on a specific day. The operation of the Headquarters reproduction plant, with its three shifts around the clock, is an essential component of this arrangement.

4. Though most of the equipment installed at New York and Geneva is intended to produce a high volume of regular documents, certain components have been added at different stages to provide a wider range of products (magazines, books, leaflets, stationery, posters etc.). As a result, the current configuration in New York is also used to reproduce sales publications, official records and public information materials (magazines, posters, leaflets etc.) with rather elaborate designs, multiple colours, laminated covers, and in different grades of paper and to bind books of up to 1,000 pages, all of which had to be done externally in the past. The submission by authors and designers of originals in electronic files and the digitalization of the pre-press work has made it easier to reproduce in less time more complex products of increasing quality. Although overall capacity at Geneva is lower than in New York, the range of available services is essentially comparable at both duty stations.

5. This diversification in reproduction output has required equipment purchases but no expansion in other resources. In fact, the number of posts in the Reproduction Sections in New York and Geneva, after remaining stable for several years, was reduced by 15 and 9 posts, respectively, at the end of the 1996-1997 biennium to a current strength of about 100 staff and 60 staff, respectively.

6. Pooling the new resources available in different areas means that the following are now fully produced internally: the *United Nations Chronicle* (a multicolour magazine); the public information version of the *Annual Report of the Secretary-General on the Work of the Organization*; several versions of *Basic Facts about the United Nations*; the frequent and large reprints of the Charter of the United Nations and the Declaration of Human Rights; multicolour leaflets on different public information issues (recently on money-laundering and peacekeeping); the *World Economic and Social Survey* (English edition in two colours); all *Official Records* of the General Assembly, the Security Council and the Economic and Social Council; most legal publications (other than the *Treaty Series*); and most economic, social and statistical publications.

III. Financial and costing issues

7. ACABQ has noted and encouraged the trend towards increased use of internal capacity. In its first reports on the proposed programme budgets for the bienniums 1996-1997[3] and 1998-1999,[4] it pointed to the need to expand the use of such capacity, if necessary, by redesigning products so that they could be printed internally and by taking advantage of advances in technology. As described above, the Secretariat has implemented a number of measures for expanding internal printing, in response to those decisions. During the 10-year period 1988-1997, actual expenditures on external printing decreased on an Organization-wide basis from roughly $8.0 million in 1988-1989 to $6.0 million in 1996-1997. The decrease was mainly concentrated at Headquarters, where there is more internal capacity than at any other duty station, with expenditures falling there from $5.6 million to $3.4 million. Some more recent data, however, contradict this trend. The proposed programme budget for 2000-2001 provides for increases in external printing resources in some areas, mainly for public information activities in connection with special conferences, and for reducing backlogs in the issuance of volumes of the *Treaty Series* and of publications of the International Court of Justice.

8. At the request of the Advisory Committee, in 1997 the Joint Inspection Unit (JIU) prepared a report on United Nations publications. In that report JIU stated that experiences with regard to internal and external printing had been mixed, indicating that four organizations had found external printing of publications to be less expensive, while

two others had reported the opposite result.[5] The Secretary-General, in his comments on the JIU report, referred to the lack of a cost-accounting system, noted the increased volume and range of publications being printed internally, and stated that while "a thorough review of the cost-effectiveness of internal versus external printing could be useful, experience has suggested that the Organization's varied needs are best met at present through a judicious mix of both printing options".[6] The report was considered by the Advisory Committee in 1998.[7] Both bodies have underlined the need for cost comparisons between internal and external printing.

9. The need for a considerable internal printing capacity is obvious for the reasons indicated above. It is worth noting that, although under the agreement governing the joint provision of conference services at Vienna, the United Nations Office at Vienna gets printing services from the International Atomic Energy Agency, the Office has found it essential to operate, in addition, a small reproduction facility consisting of high-speed photocopiers for the quick delivery of in-session documentation. New means of electronic dissemination will not eliminate the use of hard copies, even if reductions in paper usage can and have been achieved by cutting print runs, pruning distribution lists, introducing new document formats and resorting to ad hoc printing of additional copies instead of keeping large stocks for future use.

10. In-house facilities also offer the advantages of an integrated production process not subject to outside controls, which can interfere with, for example, last-minute corrections in manuscripts (very frequent in organizations where many printed materials must be absolutely up-to-date and are subject to complex clearance procedures) or constant changes in relative priorities. In addition, they do not require procurement and related actions.

11. On the other hand, external services provide even greater product diversification than do the recently expanded internal plants, and this is very often why a decision is taken to print externally. External printing is also a very effective means of eliminating backlogs, because outside production schedules are not subject to the unforeseen demands of the Organization. Another basic reason for resorting to external printing is that, although internal capacity may be sufficient to meet overall yearly demand, during specific periods of time it may not be so.

12. For all these reasons, continued use of both internal and external printing is advisable, just as a combination of permanent staff, on the one hand, and temporary assistance, consultants or contractors on the other, provides flexibility in many areas of activity. This does not mean, however, that better cost information would not be useful. In 1995, the then Department of Administration and Management and its Office of Conference and Support Services preliminarily decided that outside consultants should be engaged to do a study on the efficiency of internal printing in New York and Geneva, with special attention to the possible cost-benefits of outsourcing certain operations. The project, however, could not be implemented due to a need to surrender available consultancy funds as part of economy measures adopted at the time.

13. At the same time, JIU and the Office of Internal Oversight Services initiated studies on outsourcing and common services,[8] in addition to the JIU report on publications mentioned above. In order to avoid possible duplication, it was considered advisable to await the result of those studies. None of them, however, provided for clear cost or efficiency comparisons, although the issue of printing was examined. On the other hand, the studies emphasized the need to pursue actively the use of existing United Nations printing facilities in New York and Geneva as providers of printing services to other agencies and organizations.

14. Limited ad hoc cost comparisons can be made. The Reproduction Section in New York has written a computer programme that allows it to estimate the cost of individual jobs, by capturing the cost of staff and materials involved. It does not include capital costs or other items, like power and maintenance, for example, or overhead. It has been used selectively and exclusively to provide indicative information as to whether certain jobs that can be done internally — mainly public information materials — should be outsourced and, if so, at what indicative cost, if certain tight deadlines must be met at a time when demand for internal capacity is very high. The Reproduction Section in Geneva intends to develop a similar system, with some modifications to take into account its specific needs.

15. The internal costs estimated on this ad hoc basis for seven products or services for which external bids were also obtained ranged from as low as 20 per cent to as high as 74 per cent of the corresponding external costs, with the procurement of limited services (binding) at the lower end and full reproduction of posters and publications at the higher end. All available cost comparisons apply exclusively to publications or information materials. The internal printing cost of parliamentary documentation has not been compared with external costs.

IV. Proposals for further action

16. In order to comply with the requests of the Advisory Committee spelled out in paragraph 1 above, the Secretariat intends to submit a comprehensive report to the General Assembly at its fifty-fifth session. The costing system analysis briefly described in paragraphs 14 and 15 above will be used to compare the internal costs with the external costs of those products for which actual bids are requested by the United Nations during the next four or five months. Relevant data will be requested in New York from the United Nations Children's Fund, the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services (United Nations Secretariat), all of which have internal or external printing programmes or a combination of both. Similar data will be gathered at Geneva, if possible, taking into account the facts that a costing system for individual jobs is not yet available and that five reproduction facilities operating there belong to other organizations — namely, to the International Labour Organization, the International Telecommunication Union, the World Health Organization, the World Intellectual Property Organization, and the World Trade Organization.

17. It is expected that the information that will be compiled during that exercise will provide a sufficient basis for any decision on the printing policies of the Organization that the General Assembly may wish to take.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 7* (A/54/7), para. 78.

[2] Ibid., chap. II, para. VIII.58.

[3] Ibid., *Fiftieth Session, Supplement No. 7* (A/50/7), paras. 78 and VII.16.

[4] Ibid., *Fifty-second Session, Supplement No. 7* (A/52/7/Rev. 1), para. II.16.

[5] A/51/946, para. 60.

[6] A/52/685, para. 48.

[7] See A/53/669.

[8] See A/51/686 and Add. 1 and 2, A/51/804, A/52/338, A/53/787 and A/54/157.